

## **FISCAL NOTE**

### **HB 2619 – SB 3094**

February 27, 2006

**SUMMARY OF BILL:** Removes the eligibility requirement for the HOPE scholarship and HOPE access grant as a prerequisite for eligibility in the Tennessee HOPE foster child tuition grant program.

### **ESTIMATED FISCAL IMPACT:**

**Other Fiscal Impact – Increases the expenditure of lottery proceeds earmarked for scholarships and grants by approximately \$756,000 in FY06-07 and approximately \$1,134,000 in FY07-08.**

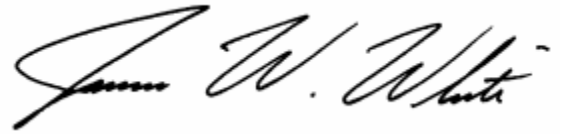
#### Assumptions:

- There were 30 HOPE foster grant awards made in FY05-06. Of this number 22 attended a 4-year institution.
- The number of awards that could have been if HB 2619 – SB 3094 had been in effect in FY05-06 is estimated to be 106.
- Estimated number of HOPE foster grant awards that could be made in FY07-08 = 159 (FY06-07 students returning  $(106 \times 50\% = 53)$  plus the number of new students estimated for FY06-07  $(106) = 159$ )
- Annual estimated cost of attendance at UTK is \$17,000, at a TBR 4-year institution \$14,710, and at a TBR 2-year institution \$8,883.
- Using an average cost of attendance of approximately \$13,500, the estimated average unmet student need after applying the Pell Grant of \$4,050 and the TSAA of \$2,320 is estimated to be \$7,130.
- Therefore, the estimated increase in state expenditures in FY06-07 is estimated to be approximately \$755,780 and approximately \$1,133,670 in FY07-08.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

**HB 2619 – SB 3094**

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director